

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2352 - SB 2214

January 28, 2012

SUMMARY OF BILL: Authorizes the Commissioner of the Department of Financial Institutions (DFI) to establish a fee for conducting an off-site investigation or examination of any mortgage lender, mortgage loan broker, mortgage loan service, or mortgage loan originator.

ESTIMATED FISCAL IMPACT:

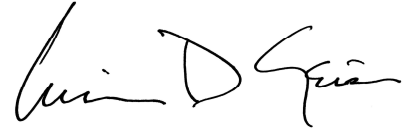
Increase State Revenue – \$94,900

Assumptions:

- There will be 80 off-site examinations conducted annually.
- DFI's Compliance Division maintains field offices in Knoxville and Murfreesboro, which operate as the Division's examination staff's central location for conducting off-site examinations of licensees.
- The annual rent, including utilities, for the Knoxville field office is \$36,720. Fifty two percent of the Knoxville office is used by the off-site examination staff. The staff's recurring share of the total expense is \$19,094.40 ($\$36,720 \times 52.0\%$).
- The annual rent, including utilities, for the Murfreesboro field office is \$41,868. Forty two percent of the Murfreesboro office is used by the off-site examination staff. The staff's recurring share of the total expense is \$17,584.56 ($\$41,868 \times 42.0\%$).
- The scheduling function for the off-site examination process in the Knoxville office is conducted by a Loan Examiner, with the annual salary and benefits of \$50,594.72.
- The scheduling function for the off-site examination process in the Murfreesboro office is conducted by an Administrative Services Assistant, with the annual salary and benefits of \$46,430.63.
- According to DFI, 60 percent of the schedulers' work schedule is spent performing off-site examination related functions. The total recurring share of the schedulers' salaries and benefits spent on off-site examination related functions is \$58,215.21 [$(\$50,594.72 \times 60.0\%) + (\$46,430.63 \times 60.0\%)$].
- The total recurring cost associated with conducting off-site examinations is \$94,894.17 ($\$19,094.40 + \$17,584.56 + \$58,215.21$).
- The off-site examination fee, authorized to be prescribed by this legislation, will be approximately \$1,186.18 ($\$94,894.17 / 80$). This fee will be collected in addition to any reasonable and actual expenses for conducting any investigation or examination under this section.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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